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STATE OF CALIFORNIA
GRAY DAVIS, GOVERNOR
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF MANAGED HEALTH CARE
ACCOUNTABILITY OFFICE

Department of Managed Health Care
Office of Enforcement
980 Ninth Street, Suite 500
Sacramento, CA 95814
916-323-0435 phone
916-323-0438 fax
OCT 14 AM 10:40

October 6, 2003

Samia Zumout, Director
Government Contracts & Regulatory Compliance
Access Dental Plan
555 University Avenue, Suite 182
Sacramento, California 95825

**Re: Access Dental Plan
Enforcement Matter No. 03-143**

LETTER OF AGREEMENT

Dear Ms. Zumout:

The Department of Managed Health Care (the "Department") has concluded its investigation of the failure of Access Dental Plan (the "Plan") to pay claims timely and to appropriately calculate and pay interest and penalties on claims not paid within the requisite timeframes of Health and Safety Code Sections 1371 and 1371.35. Based on the facts set forth below, the Department has determined that the Plan has violated Health and Safety Code sections 1371 and 1371.35.

A recent financial examination conducted by the Department disclosed that the Plan failed to reimburse uncontested claims from providers within thirty working days of receipt of the claim and failed to accrue and pay interest and penalties on those claims. In response to the Department's examination, Access identified and paid late paid claims. Access also paid the interest and late fees on these claims.

The Knox-Keene Act requires that all health care service plans comply with claims reimbursement requirements. Based on the violation, the Department has determined

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that an administrative penalty of \$5,000.00 is warranted. The Plan has agreed to pay the imposed \$5,000.00 penalty by October 20, 2003.

Sincerely,




G. Lewis Chartrand
General Counsel
Department of Managed Health Care

JA:vb

Accepted by Access Dental Plan

DATED: 10/9/03


Reza Abbaszadeh, DDS
Chief Executive Officer